

Developmental Disabilities Council
Reading Cover Page

Date: March 17, 2005

Issue: Reading 04-P2
New Freedom Cash & Counseling Project

Included in this Reading:
Information on New Freedom Cash & Counseling Project

Background/Summary:
This subject was brought up at the January meeting. Staff has obtained more detailed information.

Action:
Discussion

If there are any questions, please contact Donna Patrick at 1-800-634-4473 or donnap@cted.wa.gov

Washington State New Freedom Summary

The Department of Social and Health Services (the state's Medicaid agency) is applying for \$350,000 to support the development of long-term care services. The improvements will give consumers greater choice and control over services that better enable them to live and take part in their communities. This proposal will build on Washington's strong community based service system, taking advantage of a broad array of existing community and marketplace resources already in place.

For many years, older adults and people with disabilities who use Medicaid supports have had the option of selecting their own personal care giver. They have not, however, had the flexibility of purchasing goods and services specific to their individual needs. This program, New Freedom, will broaden their options. Participants will be able to select workers, define job descriptions, and determine when a service is to be performed. They also will be able to buy products and services related to their disability to facilitate their living in the community. Examples include home modifications, skilled nursing care, and counseling for unpaid caregivers.

New Freedom, which will be offered in two regions of the state, will be available to between 500 and 750 elderly and disabled adults eligible for Medicaid long-term care. It is designed to be flexible, responsive, and cost effective in meeting each individual's needs. The target population is those who are eligible for nursing facility level of care.

Case managers employed by the state and Area Agency on Aging (AAA) will calculate the cash value of the plan using a standardized assessment tool known as CARE, to determine the cash value of a plan. Persons interested in New Freedom will meet with a consultant to prepare an individualized plan and budget. A fiscal agent will help consumers manage their cash allowance and associated responsibilities, such as payroll withholding, and ensuring that expenditures are in keeping with the plan. Consultants will maintain periodic contact with consumers to ensure that planned services are being provided and that they continue to meet the individual's needs. Each plan will be required to include back-up arrangements for personal assistance services.

DSHS/Aging and Disabilities Services Administration will work with CMS to obtain a 1915(c) waiver to implement New Freedom. ADSA expects to offer cash and counseling to approximately 12% of the eligible population by the year 2009 with state and Medicaid reimbursement. Program evaluation will include an analysis of impact on the services that are not part of the demonstration, cost neutrality, levels of individual choice, and quality of life measures.

The contact person for this proposal is:

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Distinguishing Features of New Freedom Services

The proposed cash and counseling project, New Freedom, moves people from “client” status to “consumer” status as they exercise greater amounts of decision-making authority and responsibility in their services. From the user’s point of view, there will be greater flexibility and timeliness in obtaining services. The individualized spending plan will act as the framework for all purchases but will be flexible enough to accommodate worker turnover, or to allow purchase of items from the best source. There will be a list of allowable purchases so that each request does not require authorization by case manager or the fiscal agent. Consumers may shop for the best option from local, national, or on-line resources. Personal assistance workers will have a background check. We will work with the Home Care Quality Authority and SEIU, the union representing the individual provider workforce to clarify how the collective bargaining agreement impacts workers hired through New Freedom.

Personal Assistance Services – Total hours and work schedules are based on actual need rather than statewide average. Workers can be paid weekly, twice a month, or monthly. Payroll problems are resolved with consumer/fiscal agent at a local level. PAS can include behavioral support. Consumers will be required to pay wages commensurate with bargaining agreement, and workers eligible for other provisions of agreement. Consumers may contract with licensed home care agencies.

Transportation - Consumer able to purchase transportation from wide array of resources – Medicaid brokers, private providers, taxi companies, neighbors, friends. Okay to buy transportation to medical appointments, essential shopping, workplace or volunteer commitments, or to achieve goals of spending plan

Home modifications – Consumers will able to arrange and pay for modifications quickly and directly. For example, people could purchase materials for ramps which relatives build, do minor remodeling to move washer/dryer for accessibility, put down new linoleum to replace a water-damaged floor.

Adaptive equipment – Person can get what they need when they need it. Consumers have the ability to determine whether particular equipment meets their need, so may buy a piece of equipment that DME does not offer. They will be able to purchase goods directly. The incentive is to access DME and other resources so that cash allowance is available for other needs. Such equipment may include mobility, communication, environmental controls that minimize reliance on care givers. Examples include air mattresses, standing frames, stair climbers, air conditioners, and generators for people with vents.

Consumable supplies – Items that improve health and well being, like barrier cream, latex gloves, Ensure and other supplements, incontinence supplies. Rain covers for power chairs, safety lights for chair users, adaptive clothing for people in chairs are examples of consumable supplies.

Home delivered meals – can purchase meals from wide resources, such as neighbors, home catering businesses, and get the food that is appropriate to special diets and cultural expectations

Skilled nursing services – could hire nurse to provide skilled nursing tasks on as frequent a basis as they deem necessary, within cash allowance.

Training – Consumer can pay for training and education to accomplish outcomes in the spending plan – could be related to supervising workers or using equipment, or be related to

health or disability such as diabetes management, nutrition counseling, weight loss programs, exercise programs. Could include training for workers

PLANS

- Around assessment time, an outreach worker will contact client to share information about New Freedom
- HCS or AAA case managers do an assessment using CARE
- A dollar value is assigned to the assessment, and case manager's responsibilities cease until reassessment time
- Consumer and family members get assistance from a consulting (counseling) service in developing an individualized plan and budget
 - Consultants make home visits, encourages family members and friends to participate, available to meet at times convenient for consumer and family
 - The consumer drives the individualized plan from perspective of competency, capacities and strengths. Consultants maintain regular contact during early stages, and provide or arrange for training re: supervising workers. Consultants are mandated reporters.
- Financial management services (fiscal intermediary) does payroll tasks, pays bills for approved goods and services, tracks and monitors individual budgets
- Consumers may return to traditional services at any time
- Consumers can be "disenrolled" if they are not managing budget and services responsibly

CMS Home and Community Based 1915(c) Waiver For Cash and Counseling Programs

General Considerations

Does a 1915(c) waiver allow a cash allowance to be paid directly to the person participating in the waiver?

No. Payment must be made to third party organization, a fiscal intermediary or agent. The fiscal agent then disburses payments at the direction of the waiver participant that are in keeping with the individual spending plan.

Can the participant have a small amount of the allowance (as cash) for incidental or unexpected expenses?

No portion of the individual budget may be paid directly to the person. At the direction of the participant, the fiscal agent could pay for incidental expenses with a voucher.

Can the person purchase services and goods from anyone they choose?

The provider must be qualified, that is, meet standards set forth in the waiver and approved by CMS. Any standards or certification of a service provider must be met. Every provider must have a provider agreement to provide waiver services.

Can people purchase services and goods from an out-of-state provider?

When it is convenient or necessary, services may be purchased from an out-of-state provider. Providers must be qualified as above.

Is it possible to “bank” a portion of the individual budget to accomplish a goal?

If the spending plans include such plans, and provides for the person’s safety and health, a portion could be left unspent for a period of time, not to exceed twelve months.

Can the individual allowance pay for room and board expenses?

Federal Medicaid dollars cannot be used to pay for room, board, or utilities for people living at home.

Can people hire legally responsible individuals (e.g., spouse)?

No.

Is it possible for the waiver to provide all types of services a person might need to live in the community?

Waivers can only offer services and supports that are either necessary for people to avoid institutionalization, or would be available to people if they were living in a facility. A state can provide other services that are related to a person’s care (e.g., legal representation, moving services) with other, non-Medicaid funds.